

**Payment To Employees In Addition To Contract Or Award (*Retirement Gratuity*)**

---

**Policy Owner:** Human Resources  
**Contact Person:** Manager Human Resources  
**Date of Approval:** 4 May 2010 – CS05-05/10

---

**Objective**

To provide guidelines for circumstances where Council may consider paying a member of staff over the agreed level, according to the relevant Award, Contract of Employment, Enterprise Agreement or other document current at the time of retirement.

**Statement**

A retiring employee of the City is entitled to a retirement gratuity in recognition of extensive and satisfactory service upon retirement after the employee has been in the employment of the City (or its predecessors) for a continuous period of ten (10) years or more, provided that each of the employee's three most recent annual Performance and Development Reviews has noted satisfactory (or better than satisfactory) performance.

**SCOPE**

This policy applies to all employees.

**BACKGROUND**

Section 5.50 of the Local Government Act 1995 requires Council to have a policy in relation to employees whose employment with the City is finishing.

**IMPLICATIONS (Financial, Human Resources)**

Service Units should have sufficient funds budgeted to cater for retirement gratuities for their workforce.

**IMPLEMENTATION**

The retirement gratuity will consist of: -

1. a morning or afternoon tea function at a cost to the City of between \$150 - \$500. The value determined is at the discretion of the Chief Executive Officer subject to the size of the work area involved. Catering for such functions may include finger foods and drinks (modest quantity of alcohol including mid or low strength beers is permitted);
2. a gift to the value of \$50 per completed year of service to a maximum of \$1,000 effective from 1 July 2003.

Note: - an equivalent cash payment in lieu of a gift is not permitted

## Responsibility for Implementation

Human Resources will notify the employee's service unit and Finance Services of the employee's entitlement upon receipt of the employee's retirement notification.

The service unit will be responsible for arranging the function and gift in advance of the employee's final working day.

## EVALUATION AND REVIEW PROVISIONS

This policy will be reviewed on a biannual basis.

**DEFINITIONS:** Any definitions listed in the following table apply to this document only.

Continuous period of employment	Includes periods of leave without pay, long service leave, study leave, personal leave, parental leave and any other types of leave where the employee remains an employee of the City even though he/she may not be paid for a period. It includes part-time and full-time employees and those who may have, from time to time, been both full-time and part-time employees.
---------------------------------	---

## REFERENCES

Managing Resignation and Retirement Procedure  
Recognition – Farewell Functions Procedure

## RESPONSIBILITY FOR IMPLEMENTATION

Administration Assistant – Human Resources  
Directors, Managers, Coordinators and Supervisions

*Implementation:*

***Last Review:***

***Scheduled Review:***

***Replaces:***

Versions	Next Review	Record. No:
1 July 1999		
3 February 2010 (GS01-08/06)	HR4 (3.1.4) Redundancy and Severance Pay	
May 2010 – CS05-05/10	May 2012	P/Docs 873462 TRIM: 10/963